

Message Text

LIMITED OFFICIAL USE

PAGE 01 ATHENS 00471 161734Z

10

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 FRB-03 TRSE-00 COME-00 CIAE-00

INR-07 NSAE-00 PA-01 PRS-01 USIA-06 SEC-01 L-03 SP-02

SS-15 JUSE-00 /059 W

----- 001680

R 161605Z JAN 76

FM AMEMBASY ATHENS

TO SECSTATE WASHDC 2200

LIMITED OFFICIAL USE ATHENS 471

EO 11652: NA

TAGS: EFIN GR

SUBJECT: ANDREADIS INVESTIGATION PROCEEDS

REF: ATHENS 9740

1. ON JAN 14 THE ATHENS PUBLIC PROSECUTOR DETERMINED THAT ON BASIS OF PRELIMINARY EXAMINATION OF ALLEGATIONS AGAINST ANDREADIS GROUP, REGULAR INQUIRY BY INVESTIGATOR-JUDGE IS MERITED. NO FORMAL CHARGE HAS BEEN LEFILED AGAINST ANDREADIS OR ANY OTHER SPECIFIC INDIVIDUAL. PROCEDURE BEING APPLIED - WHICH IS FORMALLY TERMED PROSECUTION IN REM - CONSISTS BASICALLY OF EXAMINATION OF RESULTS OF PRELIMINARY INQUIRY AND COLLECTION OF TESTIMONY FROM THOSE INVOLVED. PROVISIONAL ADMINISTRATORS APPOINTED BY THE CURRENCY COMMITTEE TO THREE ANDREADIS GROUP BANKS (COMMERCIAL, IONIAN AND POPULAR, AND INVESTMENT BANKS) ARE NOT EXPECTED TO SUBMIT THEIR REPORTS, WHICH WILL BE CRUCIAL TO THE HEARINGS, BEFORE NEXT MONTH.

2. FIVE OFFENCES, ALL MISDEMEANORS, BUT NONETHELESS CARRYING POSSIBLE PRISON SENTENCES, HAVE BEEN OUTLINED FOR CONSIDERATION: (A) BREACH OF TRUST; (B) INFRINGEMENT OF CURRENCY REGULATIONS; (C) VIOLATION OF STATUTES GOVERNING CORPORATIONS; (D) VIOLATION OF CREDIT CONTROLS; (E) NON-COMPLIANCE WITH DECISIONS OF CURRENCY COMMITTEE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ATHENS 00471 161734Z

AS REPORTED IN REFTEL CASE SEEMS TO HINGE ON (A) MOST

IMPORTANTLY, THE TRANSFER OF LARGE BLOCKS OF SHARES IN HILTON HOTEL, ELEFSIS SHIPYARDS AND OTHER CONCERNS FROM LOCAL COMPANIES WHICH ANDREADIS CONTROLLED (BUT WITH LESS THAN 100 PERCENT OWNERSHIP) TO ANDREADIS AGENCIES OVERSEAS (MANY IF NOT ALL OF THESE SHARES HAVE BEEN RETURNED SINCE INVESTIGATION INITIATED); (B) VIOLATION OF CREDIT CEILING REGULATIONS BY THREE BANKS; (C) FAILURE OF ANDREADIS BANKS TO APPLY STANDARD CREDIT CRITERIA IN LOANS TO ANDREADIS COMPANIES. ANDREADIS IS REPORTEDLY PLANNING TO RETURN TO GREECE FOR INQUIRY (WITH ONE VERY BRIEF INTERRUPTION HE HAS REMAINED OVERSEAS SINCE CASE BEGAN).

3. NEW WRINKLE IS SUGGESTION IN LOCAL PRESS THAT TWO FOREIGN BANKS, ONE US AND THE OTHER FRENCH, HAVE BEEN IMPLICATED IN TRANSGRESSIONS. MINISTRY OF JUSTICE HAS DENIED THAT CRIMINAL CHARGES ARE BEING BROUGHT AGAINST ANY FOREIGN BANKS. FROM ANDREADIS GROUP OFFICIALS AND OTHER BANKING COMMUNITY SOURCES, EMBASSY UNDERSTANDS THAT BANK OF AMERICA AND BANQUE NATIONALE DE PARIS HAVE BEEN MENTIONED IN PUBLIC PROSECUTOR'S REPORT, DUE TO PURCHASE OF SHARES OF INVESTMENT BANK AND BANK OF ATTICA, RESPECTIVELY, AT PRICES WHICH CURRENCY COMMITTEE HAS NOT CALLED INTO QUESTION. LOCAL BANK OF AMERICA REPS APPEAR TO BE RELAXED ABOUT BOA INVOLVEMENT IN THE CASE.

KUBISCH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTIGATIONS, BANKS, FRAUDS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ATHENS00471
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760018-0356
From: ATHENS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760151/aaaabtje.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 ATHENS 9740
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 21 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 APR 2004 by BoyleJA>; APPROVED <23 APR 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ANDREADIS INVESTIGATION PROCEEDS
TAGS: EFIN, GR, (ANDREADIS, STRATIS)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006